



City Research Online

City, University of London Institutional Repository

Citation: Lee, J. (2017). Carles Brasó Broggi, Trades and technology networks in the Chinese textile industry: opening up before the reform (Basingstoke: Palgrave Macmillan, 2016. Pp. xiv+221. 3 figs. 19 tabs. ISBN 9781137494047 Hbk. £75). *Economic History Review*, 70(1), pp. 363-364. doi: 10.1111/ehr.12523

This is the accepted version of the paper.

This version of the publication may differ from the final published version.

Permanent repository link: <https://openaccess.city.ac.uk/id/eprint/16351/>

Link to published version: <http://dx.doi.org/10.1111/ehr.12523>

Copyright: City Research Online aims to make research outputs of City, University of London available to a wider audience. Copyright and Moral Rights remain with the author(s) and/or copyright holders. URLs from City Research Online may be freely distributed and linked to.

Reuse: Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge. Provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

Carles Brasó Broggi, *Trades and technology networks in the Chinese textile industry: opening up before the reform*, (Basingstoke: Palgrave Macmillan, 2016. pp. xiv+221. 3 figs. 19 tabs. ISBN 9781137494047 Hbk £75)

This is an interesting new contribution to the field of Chinese business history, focusing on the development of the cotton finishing industry in China from the 1920s to the 1970s. Concentrating on three firms – Dafeng, Lixin, and Dacheng – which were based in interwar Shanghai and postwar Hong Kong, Broggi explains the critical linkages between pre-1949 and post-1978 industrial developments in China through the role of industrial entrepreneurs and their technology suppliers. Arguing that the fragmentation of the market was the main constraint that Chinese businesses faced, Broggi suggests that technology networks played a critical role in enabling infant companies to find niches within this peculiar environment. As a result of these adaptations, entrepreneurs in China's cotton finishing industry arrived at a vision of development that was highly dependent on foreign trade. Although their plans were not implemented on the mainland initially, the entrepreneurs' export-oriented strategy came to be crucial to the industrialization of Hong Kong, and then in mainland China as well once reforms were under way in the 1970s.

Chinese cotton textiles markets in the 1920s and 1930s were notoriously volatile, and *Trade and Technology Networks* combines a biographical and business-centered approach to focus on firm-level decisions that underlay these firms' successful vertical integration to enter more stable segments within markets. The approach is equally effective in elucidating the personal and family ties which enabled firms to construct durable networks with technology suppliers and lowered the cost of technology transfer. Although the author acknowledges the role of boycotts in the firms' growth, information on the broader context is murky both in terms of the policy environment and in terms of the exact nature of competition from Japanese firms in China (*zaikabō*). It would be interesting in particular to learn about the impact of the Nationalist Government's effective tariff policies in the 1930s. Although the three firms studied here were based in Shanghai, the author does not appear to deal with industrial developments in the interior in the 1930s and 1940s, focusing instead on Shanghai behind enemy lines and addressing Japan (China's greatest competitor industrially) primarily as a military occupier.

The communist victory in 1949 resulted in a sharp rupture in the structure of Chinese capitalism, and Broggi's efforts to connect and contrast developments in Chinese-speaking societies across the Cold War divide are valuable. The role of Shanghai's emigrant entrepreneurs in Hong Kong's industrialization is well-known, and the same is true for Hong Kong businesses' contribution to China's reform process in the 1980s. Yet, so far as technology is concerned, recent Japanese scholars have observed that the vast bulk of cotton textiles equipment had actually remained in mainland China in 1949. As the *zaikabō* were the undisputed leaders of the cotton textiles sector in China and Japan itself was the global leader in cotton textiles technology in the 1930s, this body of technology was cutting edge. According to Kubo Tōru, Communist China in the 1950s was highly successful at expanding the export of cotton textiles, thanks in part to *zaikabō* technology and to the socialist state's mobilization of resources (Kubo Tōru, "1950 nendai no Chūgoku mengyō" in Tomizawa Yoshia, Kubo Tōru and Hagiwara Mitsuru, eds., *Kindai Chūgoku o ikita Nikkei kigyō*, 2011). While the input from Hong Kong was no doubt important to export-oriented industries in South China in the 1980s, the cessation of imports from the West or Japan was not necessarily fatal at least in the 1950s and early 1960s.

Furthermore, as rural industries accounted for the bulk of China's total output in cotton textiles in the reform period, it is important to acknowledge the role of earlier Japanese (and British) technology which found its way into rural areas as industrial upgrade continued in the cities. In this respect, the present work would benefit from engagement with the scholarship on technology networks in rural China, especially Linda Grove's work on the weaving cluster of Gaoyang (Linda Grove, *A Chinese Economic Revolution*, 2006). Like in the cotton finishing industry, pre-1949 networks in Gaoyang played a key role in the industrial cluster's success in the reform period, and the features that Grove identified both before 1937 and after 1978 were in line with the scholarship on the highly successful industrial clusters in early twentieth-century Japan. Focusing exclusively on the direct transfer of Western or Japanese technology misses a more exciting dynamic in China's interior, where the key adaptations from abroad were not in the use of technology *per se*, but in systems of innovation and in ways of organizing technology. In Gaoyang's case these adaptations originated from the late Qing state's efforts to adopt Japanese institutional changes to standardize proto-industrial production, and suggested a kind of cross-temporal and transnational connection that was far more endogenous in character.

JOYMAN LEE

City University London